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TRANSCRIPT OF  
MEETING OF  
STATE LANDS COMMISSION

AUGUST 8, 1957 --- 9:30 A. M.

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PARTICIPANTS

THE COMMISSION:

Messrs. John M. Peirce, Chairman  
Harold J. Powers  
A. R. Todd (for Mr. Kirkwood)

STATE LANDS DIVISION:

Messrs. F. J. Hortig, Acting Executive Officer  
Kenneth C. Smith  
Mrs. Julia T. Stahl

ATTORNEY GENERAL'S OFFICE

Mr. Howard Goldin

GUEST

Senator Richard Richards

APPEARANCE

For the City of Long Beach --  
Mr. Harold A. Lingle, City Attorney

REPORTER:

Louise H. Lillico  
Division of Administrative Procedure

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1 MR. PEIRCE: Good morning, everybody. The meeting  
2 will come to order. First is confirmation of the minutes  
3 of the meeting held on July 15th. Are there any corrections?

4 GOV. POWERS: I move they be approved.

5 MR. TODD: I second it.

6 MR. PEIRCE: Moved and seconded that the minutes,  
7 as written and mailed to the members of the Commission, be  
8 approved. All in favor say "Aye".

9 GOV. POWERS and MR. TODD: Aye.

10 MR. PEIRCE: Opposed? (No response) Motion is  
11 carried. Now, Mr. Hortig, do you want to proceed with the  
12 agenda?

13 MR. HORTIG: If the Commission please, the Attorney  
14 General's office is represented here this morning by Deputy  
15 Howard Goldin. This is his first attendance at a Commission  
16 meeting.

17 MR. PEIRCE: Glad to have you, Mr. Goldin.

18 GOV. POWERS: Yes.

19 MR. HORTIG: Page 1, gentlemen. An application has  
20 been received from the Standard Oil Company of California,  
21 joint lessee and operator under State Oil and Gas Lease  
22 P.R.C. 1824.1 at Summerland, Santa Barbara County, requesting  
23 approval of the construction of a stationary pylon-supported  
24 drilling and production platform approximately 2.2 miles  
25 offshore within the leased area. The platform design has  
26 been developed and has been reviewed by the staff --

1 developed by a firm of consulting structural engineers, has  
 2 been reviewed by the staff of the Commission. The size and  
 3 location of the proposed drilling and production platform  
 4 are in accordance with the terms of the lease and rules and  
 5 regulations of the Commission. The Corps of Engineers of  
 6 the U. S. Army have reported that a statement of nonobjection  
 7 will be issued and the specific placement of the structure  
 8 will be referred to the Department of Natural Resources and  
 9 the Attorney General for approval as provided in Section  
 10 6818 of the Public Resources Code.

11 Therefore, it is recommended that the Commission  
 12 authorize the approval of the location and construction by  
 13 the Standard Oil Company of California of the subject  
 14 described platform, subject to receipt of: (1) Certificate  
 15 of nonobjection from the Corps of Engineers, statement of  
 16 nonobjection by the Director of Natural Resources pursuant  
 17 to the Public Resources Code, and approval by the Attorney  
 18 General as to compliance with the applicable provisions of  
 19 law and rules and regulations of the Commission.

20 MR. PEIRCE: Is there any discussion? Anybody in  
 21 the audience desire to speak on this matter? (No response)  
 22 Your pleasure, gentlemen?

23 GOV. POWERS: I move that we accept the recommendation  
 24 of the staff.

25 MR. TODD: Second.

26 MR. PEIRCE: Moved and seconded that the recommendation

1 be approved and so will be the order.

2            at. HORTON. Page 7. The last revision to rule and  
3 Regulation 2100 of the Commission was authorized on  
4 August 16, 1955, relating to the taking of cores and other  
5 samples from tide and submerged lands, that such operations  
6 may be freely conducted as was specified in the Cunningham-  
7 Shell Tidelands Act in 1955. The inclusion of the word  
8 "freely" conducted, in Section 6826 of the Public Resources  
9 Code, formed the basis for the Commission determination  
10 that the rule would provide that there would be no permit  
11 requirement for such operations from depths above 500 feet  
12 below the surface of the ocean floor, that permits would be  
13 required for operations only in excess of 500 feet. Assembly  
14 Bill 80, which was approved as Chapter 1087 in the Statutes  
15 of 1957 as an emergency measure which has been in effect  
16 since July 2nd, struck from Section 6826, Public Resources  
17 Code, the word "freely". The basis, reported by the authors  
18 of the legislation to the respective legislative committees,  
19 was to accomplish the elimination of the taking of cores or  
20 any other samples except pursuant to permit issued by the  
21 Commission, regardless of the proposed depth of the opera-  
22 tion.

23            Additionally, A. B. 80 substitutes the words "make  
24 available" rather than "to furnish" relative to delivery of  
25 any factual or physical exploration results or logs which  
26 a permittee obtains, and also by definition imposes a penalty

4

1 in the act, in that it is provided that unauthorized dis-  
2 closure by the Commission or its staff of information  
3 furnished by a permittee would constitute, or, rather, is  
4 a misdemeanor. It is recommended, in view of the modifi-  
5 cation of Section 6826 Public Resources Code, that the  
6 Commission authorize the initiation of procedures under the  
7 provisions of Sections 11420 to 11427 of the Government  
8 Code for consideration of amendment of Section 2100(b)  
9 of the Rules and Regulations of the Commission to conform  
10 to the provisions as amended by the Statutes of 1957.

11 Under Section 11425 of the Government Code, a State agency  
12 shall afford any interested person or his duly authorized  
13 representative, or both, the opportunity to present state-  
14 ments, arguments or contentions in writing, with or without  
15 the opportunity to present the same orally. Pursuant to  
16 this authority, it is also recommended that approval be  
17 given for an initial review of the suggested rule change  
18 by all interested parties, to be presented in writing only,  
19 with all presentations to be considered by the Commission  
20 at a future meeting, where opportunity will be given for  
21 the presentation of further statements, arguments or conten-  
22 tions of interested parties, as specified by appropriate  
23 sections of the Government Code.

24 In this connection, it is recommended further that  
25 the Commission authorize specifically the publication, as  
26 outlined in applicable sections of the Public Resources Code,

1 of a draft of the amended rule and regulation as it is  
2 proposed for consideration, in this instance reading, in  
3 general terms, that the taking of cores and other samples  
4 may be conducted on and under tide and submerged lands of  
5 the State only if a permit therefor is obtained from the  
6 State Lands Commission.

7 In addition, if I may, Mr. Chairman, I would like to  
8 comment that it has just been brought to the attention of  
9 the staff in connection with this consideration of rule  
10 and regulation modification by the Commission, that both  
11 Sections 1913 and 1914 of the existing Rules and Regulations --  
12 1913 relating to joint bidding and 1914 relating to for-  
13 feiture -- leave areas, or have left areas of uncertainty,  
14 in that there are procedures which might be involved at  
15 the option of the bidder in the joint bidding, or at the  
16 option of the Commission in connection with the forfeiture,  
17 that are not specified in Rules and Regulations and there-  
18 fore leave the bidder, a prospective bidder, uncertain as  
19 to procedures to be employed; also leave him uncertain as  
20 to what penalties may be invoked in the event of the applica-  
21 tion of the forfeiture procedures. Therefore, tentative  
22 drafts have been prepared for clarification, consideration  
23 of these rules; and it is recommended that the Commission  
24 authorize, jointly with the request for authorization for  
25 consideration of modification of Rule 2100(b), the necessary  
26 publication and initiation of procedure relating to undertaking

1 the review for potential modification of rules 1913 and  
2 1914 also.

3 MR. PEIRCE: Mr. Goldin, have you had an opportunity  
4 to review these recommendations which involve correlating  
5 or coordinating the Rules and Regulations of the State  
6 Lands Commission with the provisions of law as enacted by  
7 the recent legislation?

8 MR. GOLDIN: Mr. Peirce, only in respect to 2100(b).  
9 I have no knowledge of the contemplated changes with respect  
10 to Rules 1913 and 1914, to the proposed amended draft  
11 which Mr. Hortig read in connection with 2100 ...

12 MR. PEIRCE: These do meet with your approval?

13 MR. GOLDIN: Mr. Hortig's procedure does contemplate  
14 the Rules and Regulations. I am satisfied with the procedure.

15 MR. PEIRCE: In other words, the recommendations of  
16 Mr. Hortig meet with your approval?

17 MR. GOLDIN: They comply with the requirements of  
18 law.

19 MR. PEIRCE: Is there any further discussion, any  
20 questions? (No response)

21 MR. TODD: I move that the recommendation be approved.

22 GOV. POWERS: Second.

23 MR. PEIRCE: Moved and seconded that the three  
24 recommendations just read by the Executive Officer be  
25 approved and so will be the order. That is correct, three?

26 MR. HORTIG: Yes.

1 MR. PEIRCE: Two in writing; and you read the third  
2 one.

3 MR. HORTIG: Yes. Page 4. At the meeting of  
4 July 15, the Commission confirmed a prior request that the  
5 Attorney General commence and maintain appropriate court  
6 action to clarify the State's interest in the area of tide  
7 and submerged lands quitclaimed to the State of California  
8 by the City of Long Beach by deed of October 15, 1932, said  
9 land originally having been granted to the City of Long  
10 Beach by the State of California. The purpose of this  
11 report is solely to report to the Commission that a Complaint  
12 for Declaratory Relief in this action has been filed by the  
13 office of the Attorney General on July 26, 1957, in accordance  
14 with the request of the Commission.

15 MR. PEIRCE: Any questions? (No response) The  
16 report will be accepted.

17 MR. HORTIG: Page 5. An application has been re-  
18 ceived from the City of Stockton for the lease of a portion  
19 of the old channel of the San Joaquin River known as  
20 Buckley Cove, extending from the mean high tide line of  
21 adjoining city-owned Buckley Island to the midchannel of  
22 the old channel, containing approximately  $11\frac{1}{2}$  acres not  
23 presently under lease, to be subleased by the City of  
24 Stockton to an individual or corporate entity for the  
25 development and use of the island and adjacent waters as a  
26 small boat harbor. It is the opinion of the staff that a

1 fifteen-year lease at a yearly rental of \$100, with a  
2 renewal clause for two additional 10-year periods, should  
3 apply, with the limitation as to length of construction of  
4 the piers .....

5 MR. PEIRCE: The recommendation is approved.

6 MR. HORTIG: Page 6. Cibola Ferry, Inc. has applied  
7 for a 16-foot wide right-of-way easement across the Cali-  
8 fornia portion of the Colorado River, about twenty miles  
9 south of Blythe, California, to cover the area on which  
10 they have already constructed a bridge that is now the  
11 subject of intensive investigation of the U. S. Army Corps  
12 of Engineers and the Division of Highways and their counter-  
13 parts on the Arizona side. It is recommended that the  
14 authorization be granted for issuance of this right-of-way  
15 easement.

16 MR. PEIRCE: It is the operation of the ferry ...

17 MR. HORTIG: No, sir of a bridge.

18 MR. PEIRCE: Any objection to the recommendation?

19 MR. HORTIG: Insofar as our agency is concerned, no  
20 sir. Whether, as and when permit may be issued by the U. S.  
21 Army Corps of Engineers for maintenance and operation of the  
22 bridge in its present condition is not known, but this  
23 easement would be effective only under those circumstances  
24 that there be the balance of the permit issued, including  
25 the unresolved question of operating a toll bridge which is  
26 under way.

1 MR. TODD: And clearance for navigation.

2 MR. HORTIG: Well, that would be from the U. S.  
3 Army Engineers.

4 MR. PEIRCE: Any further questions?

5 GOV. POWERS: O. K.

6 MR. PEIRCE: All right, the recommendation is approved.

7 MR. HORTIG: Page 7. If the Commission please, the  
8 agenda relating to the application as stated for lease of  
9 tide and submerged lands, of Southern California Edison  
10 Company, will be presented in modified form, relating to  
11 issuance of right-of-way easement rather than a lease and  
12 a modification involving an easement for 49 years rather  
13 than 50 years as stated in the published agenda item, in  
14 order to conform to Rules and Regulations of the Lands  
15 Commission for easements. The purpose of the easement is  
16 for a salt water cooling line required by Southern California  
17 Edison in connection with construction in conjunction with  
18 a multi-million-dollar steam plant generating electricity.  
19 Easements for the pipe lines across Huntington Beach State  
20 Park have already been granted by the State Park Commission.  
21 The modified rentals specified here, which are recommended  
22 to the Commission, are acceptable to the grantee at the  
23 increased terms because the specific agreement would be  
24 made by the State not to construct any conflicting structures  
25 over the area in which these large intake lines would be  
26 maintained. It is recommended that authorization .....

1 MR. PEIRCE: There is no objection on the part of  
2 local agencies?

3 MR. HORTIG: No sir, they have been viewing with  
4 interest the construction of the entire plant. It is a  
5 local asset.

6 MR. PEIRCE: Your pleasure?

7 GOV. POWERS: I move ...

8 MR. PEIRCE: Moved and seconded that the recommenda-  
9 tion be approved. So will be the order.

10 MR. SMITH: Page 9. Sale of Vacant School Land.  
11 Two items. I will read the recommendation. It is recom-  
12 mended that the Commission authorize the sale of vacant  
13 State school land for cash at the highest offer, per tabula-  
14 tion, such sales to be subject to all statutory reservations  
15 including minerals. These are routine.

16 GOV. POWERS: Do we have a whole series of them?

17 MR. SMITH: Just two.

18 MR. PEIRCE: All right, the recommendation is  
19 approved.

20 MR. HORTIG: Page 13.

21 MR. SMITH: Sale of Vacant Federal Land. It is  
22 recommended that the Commission determine it is to the  
23 advantage of the State to select 87.80 acres in San Bernar-  
24 dino County; that the Commission find the said land is not  
25 suitable for cultivation and approve the selection and  
26 authorize the sale in accordance with Rules and Regulations

1 on conveyance of the land by the Government. The State  
2 applicant has cancelled out.

3 MR. PEIRCE: This is a routine transaction? The  
4 recommendation is approved.

5 MR. SMITH: Page 14. Identically the same -- the  
6 Federal land containing 160 acres in San Bernardino County;  
7 that the Commission find the said land is not suitable for  
8 cultivation and approve the sale in accordance with the  
9 rules governing the sale of vacant school land. Routine  
10 transaction.

11 MR. PEIRCE: Any questions? The recommendation is  
12 approved.

13 MR. SMITH: This is an approval of an exchange ...

14 MR. HORTIG: Page 15.

15 MR. SMITH: It is recommended that the Commission  
16 authorize the Executive Officer to certify to the Governor  
17 that it is to the advantage of the State to exchange with  
18 the United States Government 5,120 acres in San Bernardino  
19 County for 4,573.95 acres of Federal land in Riverside County  
20 of equal value; that the Executive Officer be authorized to  
21 execute on behalf of the State Lands Commission a certificate  
22 provided for in Section 6444 of the Public Resources Code;  
23 and the State, upon acquisition of the land from the Federal  
24 government, offer said land for sale at competitive bidding  
25 in accordance with the Rules and Regulations governing the  
26 sale of State school lands, under the application filed by

1 the applicants Harry Pon and R. A. Ellsworth.

2 MR. PEIRCE: Any questions? Any controversy involved?

3 MR. HORTIG: This is standard procedure, Mr. Peirce,  
4 this type of application.

5 MR. PEIRCE: Is this O. K.?

6 GOV. POWERS: Yes.

7 MR. PEIRCE: All right, the recommendation is  
8 approved. Gentlemen, I observe the presence of Senator  
9 Richards. Excuse me for overlooking you ..

10 SENATOR RICHARDS: Not at all, I am just sitting in.

11 MR. PEIRCE: In behalf of the Commission, I want to  
12 say I am delighted to have you and if you have any item you  
13 would like to discuss with us we would welcome hearing from  
14 you and have you participate in our discussion to the  
15 fullest extent possible.

16 SENATOR RICHARDS: Thank you.

17 MR. PEIRCE: All right, Mr. Smith, will you proceed?

18 MR. SMITH: 17. This involves purchase of vacant  
19 Federal lands. The applicants have objected to the valuations  
20 established on the land by the staff and the time within  
21 which the applicants were entitled to meet the appraised values  
22 was extended, to allow time for submission of material by  
23 applicants. In order to allow review of material submitted  
24 by applicants, it is recommended that extension granted by  
25 Executive Officer to August 8, 1957, in which applicants  
26 may submit additional amounts to meet appraised values, be

1 confirmed and that an additional thirty-day extension be  
2 granted to all applicants for the submission of the required  
3 amounts, which period will allow the staff to make a com-  
4 plete review of the material submitted by the applicants  
5 whereupon the matter will be referred to the Commission  
6 at its next meeting following the expiration of the thirty-  
7 day extension.

8 MR. PEIRCE: Any discussion?

9 GOV. POWERS: They wish to purchase this Federal  
10 land and then you are exchanging the State land for it?

11 MR. HORTIG: We are down to the point of having  
12 virtually completed the selection of the land on behalf of  
13 the State, at which time appraisal of the lands was made  
14 and the applicants, who originally entertained ideas of  
15 the value of the land, feel that the current appraisals of  
16 the State are excessive and also contend that they can  
17 furnish data to indicate that the appraisals indicated by  
18 the State are too high and wish the opportunity to present  
19 this data. So, in order to maintain the applicants in  
20 status quo, it is recommended that the staff be given this  
21 thirty-day period to review this data and then report the  
22 conclusions on the sum total of data submitted.

23 GOV. POWERS: That's O. K.

24 MR. TODD: M-m-h.

25 MR. PEIRCE: The recommendation is approved.

26 MR. SMITH: Page 18. There may be an appearance on

1 this. Mr. Labrucherie protested the application of the  
2 State. It might be well to let this pass for a few moments.

3 MR. PEIRCE: Is Mr. Labrucherie present? (no response)  
4 Is it your thought, Mr. Smith, that we should delay action  
5 on this recommendation pending his possible arrival?

6 MR. SMITH: Yes, I would suggest that.

7 MR. PEIRCE: Well, let us pass over this item, then.

8 MR. SMITH: Page 20. Sale of Vacant Federal Land.  
9 It is recommen d that the Commission determine that it is  
10 to the advantage of the State to select the Federal land  
11 in the following cases; that the Commission find it is not  
12 suitable for cultivation; that the Commission authorize the  
13 sale of the land for cash in accordance with the following  
14 tabulations, such sales to be subject to all statutory  
15 regulations, including minerals.

16 MR. PEIRCE: Any questions?

17 MR. HORTIG: These are routine, Mr. Peirce.

18 GOV. POWERS: All right. All routine.

19 MR. TODD: O.K.

20 MR. PEIRCE: The recommendations are approved.

21 MR. HORTIG: Page 25. A joint application has been  
22 received from the City of Larkspur and the County of Marin,  
23 requesting a right-of-way easement for the placement of a  
24 bridge across Corte Madera Canal in Marin County. As the  
25 Commission may recall, within the limits of Corte Madera  
26 Canal there are certain ark site leases from the State.

1 These leases were issued to trespassers who occupied the  
2 area originally without authorization. One of these arch  
3 sites would currently be eliminated by the installation of  
4 the bridge and it is recommended that the authorization be  
5 granted for the issuance to the City of Larkspur and the  
6 County of Marin jointly of a life-of-structure permit for an  
7 area 80 feet in width and 260 feet in length across Corte  
8 Madera Canal for the use and maintenance of a vehicular  
9 bridge, with the provision that the permittee pay compensa-  
10 tion for the removal of or damage to any structures that  
11 are located on State property.

12 MR. PEIRCE: Any questions?

13 MESSRS. POWERS and TODD: That's O. K.

14 MR. PEIRCE: The recommendation is approved.

15 MR. HORTIG: Page 26. The Eleventh Naval District,  
16 San Diego, have applied to the Commission for permission to  
17 extend an existing jetty 2,300 feet southerly and parallel-  
18 ing the shore line from the boat basin at Camp Pendleton  
19 Harbor. Section 6321 of the Public Resources Code provides  
20 for such construction and this project is in conjunction  
21 with the dredging of a channel and would also provide for  
22 relief of erosion problems at Oceanside as one of the  
23 primary purposes of the Engineers in this construction.  
24 Therefore, it is recommended that the authorization be  
25 granted for issuance of a permit to the U. S. Navy for the  
26 construction, use and maintenance of an extension of a jetty

1 2,300 feet in length southerly from the boat basin and  
2 paralleling the shore line at Camp Pendleton, San Diego  
3 County, the consideration being the benefit to harbor facili-  
4 ties at Camp Pendleton and relief of the erosion problem  
5 at Oceanside.

6 If the Commission please, Section 6321 provides  
7 that such authorization may be granted for the structures  
8 if the structures do not unreasonably interfere with the  
9 uses and purposes reserved to the people of the State.  
10 It is recommended that the Commission find that the proposed  
11 construction will not unreasonably interfere with the use  
12 and purposes of the people of the State, insofar as it is  
13 felt this structure will be an advantage rather than a  
14 detriment.

15 MR. PEIRCE: Any questions?

16 GOV. POWERS: No.

17 MR. TODD: Approved.

18 MR. PEIRCE: The recommendation is approved.

19 MR. HORTIG: Twelfth Naval District, San Francisco,  
20 has applied ....

21 GOV. POWERS: What page?

22 MR. HORTIG: Page 27, I am sorry. .... for a  
23 permit covering an area lying seaward of the naval facility  
24 at Centerville Beach, Humboldt County, for the installation  
25 of scientific equipment. The consideration is to be in the  
26 interest of national defense. It is recommended that the

1 Commission make such authorization.

2 MR. PEIRCE: Any questions?

3 GOV. POWERS: No, O. K.

4 MR. TODD: O. K.

5 MR. PEIRCE: The recommendation is approved.

6 MR. HORTIG: Page 26. Senate Bill 1517, approved as  
7 Chapter 1701 of the Statutes of 1957, authorizes the Com-  
8 mission to sell certain lands within the abandoned Guadalupe  
9 Canal in San Mateo County and Gallinas Creek, Marin County.  
10 It is recommended that the Commission authorize the estab-  
11 lishment of procedures which will permit, subsequent to the  
12 effective date of the act, the conveyance of these lands or  
13 the offering of these lands in accordance with the statutes  
14 and in accordance with requirements for publication as now  
15 specified in Government Code Section 6064. The Commission  
16 will reserve the right to reject any and all bids in any  
17 sale offer of these lands. All costs incident to the sale  
18 of the lands are to be borne by the successful applicant  
19 or the first applicant.

20 MR. PEIRCE: Any questions?

21 GOV. POWERS: No.

22 MR. TODD: Provided the date of the act is con-  
23 sidered. In other words, we could adopt subject to the  
24 effective date of the act.

25 MR. HORTIG: This is the reason for the specification  
26 that we authorize subsequent to the effective date of the

1 act, which will be September 11th.

2 MR. PEIRCE: All right. The recommendation is  
3 approved.

4 MR. HORTIG: Page 29. Assembly Bill 4165, approved  
5 as Chapter 2012, authorizes the Commission to sell an island  
6 at the confluence of the Sacramento and San Joaquin Rivers  
7 known as Chain Island. It is recommended that the Commission  
8 authorize procedure with the sale of the described land  
9 subsequent to the effective date of the act; that notice to  
10 receive sealed bids be published in accordance with the  
11 requirements of the Government Code; the appraised value to  
12 be established, which value shall be the minimum value for  
13 which the land may be sold; and that sale be made to the  
14 highest bonafide bidder, subject to any lease outstanding  
15 at the time of sale and subject to all statutory reservations  
16 including minerals, and subject to the final approval by  
17 the Commission of any sale. The Commission will reserve  
18 the right to reject any and all bids in any sale offer and,  
19 again, all costs incident to the sale of the land will be  
20 borne by the successful applicant or the first applicant.

21 MR. PEIRCE: Any State agencies that might be  
22 interested in this?

23 MR. HORTIG: We are not aware of any. This island  
24 has been in existence for at least fifty years and private  
25 agencies have been interested on and off. It has been under  
26 lease part time heretofore and there is an applicant who is

1 interested in purchasing it currently.

2 MR. PEIRCE: Any questions?

3 GOV. POWERS: Well, no, I think we might as well  
4 proceed. I think that's O. K. There's nothing wrong with  
5 that.

6 MR. TODD: M-m-mh.

7 MR. PEIRCE: All right. The recommendation is  
8 approved.

9 MR. HORTIG: Page 30. Assembly Bill 3610, approved  
10 as Chapter 1437, provides that the owner or owners of  
11 abutting lands shall be the preferred purchasers for a  
12 small parcel of filled tide and submerged lands in Humboldt  
13 Bay, which intervenes between two parcels of land heretofore  
14 sold by the State many years ago. It is contended -- and  
15 probably is the case -- that was an oversight based on  
16 survey errors and it is recommended that the authorization  
17 be granted to proceed with the sale of the land described  
18 in Chapter 1437 subsequent to the effective date of the  
19 act, as provided in the act; that the owner or owners of  
20 the abutting land be the preferred purchasers at the  
21 appraised fair market value; that any sale be made subject  
22 to all statutory reservations except that all mineral rights  
23 shall be conveyed with the surface rights, subject to final  
24 approval by the Commission. Subsequent to sale, all costs  
25 incident to the sale of the lands will be borne by the  
26 applicant.

1           If I may amplify with reference to the proposed  
2 conveyance of the mineral rights, this is based on what the  
3 legislative committee which conferred on the drafting of  
4 this bill intended. The bill was stated in such form that  
5 the Commission be authorized to convey the mineral rights.  
6 There is now a question whether this authorization was accom-  
7 plished in fact, and an opinion of the office of the Attorney  
8 General will be requested before final recommendation will  
9 be made to the Commission as to this conveyance.

10           MR. PEIRCE: Any questions?

11           GOV. POWERS and MR. TODD: No.

12           MR. PEIRCE: The recommendation is approved.

13           MR. HORTIG: Page 31, gentlemen. Section 6404 of  
14 the Public Resources Code provides in part that any State  
15 agency that sells specified lands may, with the approval of  
16 the Lands Commission, reserve mineral deposits in those  
17 lands to the State. Pursuant to this provision, the Director  
18 of Finance, through the Acquisition Division, has requested  
19 the recommendation of the Commission with respect to reserving  
20 the mineral rights in two proposed sales of property, being  
21 approximately 2.8 acres at the San Gabriel Fish Hatchery,  
22 Los Angeles County, and approximately 4 acres adjoining the  
23 Metropolitan State Hospital, Los Angeles County. From staff  
24 review, it is recommended that the Commission recommend that  
25 the mineral rights in these lands be retained by the State  
26 because of the potentiality of future mineral production

1 MR. PEIRCE: Both of these lands are adjacent to  
2 oil fields, producing oil fields, and we feel that the  
3 mineral rights should be reserved, and under the existing  
4 law the Commission must so indicate.

5 MR. HORTIG: That is correct.

6 MR. PEIRCE: The new law, however, will not require  
7 that this be done.

8 MR. HORTIG: That's right, after September.

9 MR. PEIRCE: I recommend the approval of these  
10 recommendations.

11 GOV. POWERS: I second.

12 MR. PEIRCE: Moved and seconded that the recommenda-  
13 tion be approved. So will be the order.

14 MR. HORTIG: Page 32. If I may summarize, gentlemen,  
15 pages 32 and 34 contain recommendations with respect to  
16 consideration of advance approval of expenditures proposed  
17 to be made by the City of Long Beach in connection with  
18 subsidence alleviation projects, which are the two remaining  
19 areas of operation not heretofore authorized by the Com-  
20 mission on a full fiscal year basis. Both of these areas,  
21 the so-called Town Lot project appearing on page 32, and  
22 the matter of a new administration building appearing on  
23 page 34, are undergoing additional staff study, both by the  
24 Division as well as by the Harbor Department of the City of  
25 Long Beach; and, therefore, it is proposed that at this time  
26 the Commission proceed with what has been standard procedure

1 heretofore, to approve for the month of August and for the  
2 month of September expenditures for those months only for  
3 these two projects, by which time -- expiration of which  
4 time -- it is anticipated conclusions will have been reached  
5 which will permit recommendation to the Commission for the  
6 continuance or final disposition of these projects for the  
7 balance of the fiscal year.

8 MR. PEIRCE: All right. Do you desire to read the  
9 recommendation?

10 MR. HORTIC: It is recommended that the Commission  
11 conditionally approve the Town Lot area project as a sub-  
12 sidence project and the costs proposed to be expended there-  
13 under in August 1957 for property purchase and areal fill,  
14 and in September 1957 for force account shown in Exhibit A  
15 attached; and, similarly, that the Commission approve the  
16 costs to be expended by the City of Long Beach, including  
17 the subsidence remedial work, for the administration building  
18 project, as indicated on Exhibit A attached and made a part  
19 hereof, for the month of September 1957. Both recommendations  
20 subject to the condition that the amounts of costs to be  
21 allowed ultimately as subsidence costs under Chapter 29 will  
22 be determined by the Commission on final engineering review  
23 and audit subsequent to the time the work is completed;  
24 provided that no estimate shall presently be made of the  
25 subsidence deduction ultimately to be allowed for such  
26 acquisitions, fill and the administration building; and,

1 further, that the City of Long Beach is not to withhold  
2 from revenues due the State any portions of the costs of  
3 the projects until final approval is had; further, that the  
4 Executive Officer, Assistant Executive Officer or Mineral  
5 Resources Engineer be authorized to execute written instru-  
6 ments reflecting the Commission's conditional approval.

7 MR. PEIRCE: May I ask whether the replacement of  
8 the administration building comes within the meaning of  
9 subsidence expenditures as provided by law?

10 MR. HORTIG: We have been informed and it is the  
11 conclusion of counsel that basically this project does  
12 qualify under Chapter 29 as a subsidence project. There is  
13 no basic problem, Mr. Peirce, it's a matter of degree. The  
14 proposal for the replacement envisions new, entirely new,  
15 also much larger and more effective building than the present  
16 building. Therefore, the items of betterment and improvement  
17 are problems -- how far the State should share in those --  
18 and, finally, the major problem in front of the State Lands  
19 Commission -- inasmuch as the State must approve the sub-  
20 sidence element, therefore the Commission is definitely con-  
21 cerned in the future subsidence hazards in the selection and  
22 location of the building. Study is under way to select the  
23 optimum location which will balance the location for all  
24 operational facilities as against minimum future subsidence  
25 which would again require the State to contribute.

26 MR. PEIRCE: We are contributing only to the

1 reconstruction of this building, or the replacement of this  
2 building to the extent a subsidence is involved, is that  
3 correct?

4 MR. HORTIG: Twenty-five percent of the amount that  
5 subsidence is involved.

6 MR. PEIRCE: Under the formula?

7 MR. HORTIG: Yes sir.

8 MR. PEIRCE: And you believe the twenty-five percent  
9 formula is just in its application to the construction of a  
10 new administration building for the Harbor Department?

11 MR. HORTIG: Yes, for the reason that the present  
12 building will shortly be no longer tenable.

13 MR. PEIRCE: In other words, the present building is  
14 right in the middle of the subsidence area?

15 MR. HORTIG: The present building is right in back  
16 of the levee, which is taller than the building -- which  
17 is a low morale factor.

18 MR. PEIRCE: I have been there. It is a formidable  
19 sight to see -- this two-story building hidden by the dike,  
20 with the ocean on the other side of the dike. Do these two  
21 recommendations meet with the approval of the City of Long  
22 Beach?

23 MR. LINGLE; I might add --- these just happen to  
24 be some pictures I have. One of the earthquakes caused  
25 that twist -- which is one of the phenomena that goes along  
26 with subsidence. If we ever got it in one of these dikes --

1 with the building; twenty feet below water -- it is a  
2 morale problem. It is a matter of degree, our approach  
3 and your staff's approach as to how much is to be allowed  
4 for subsidence. One point -- it appeared in the minutes  
5 before -- which I would wish not to appear and wish not to  
6 appear this time, and that is that I concur. Under our  
7 bill I believe we would be allowed a greater allowance than  
8 the staff's present thinking. Among the requisitions for  
9 land this time are these two buildings, I happen to be  
10 handling the condemnation of those buildings -- that just  
11 occurred in the rain. Our thought is that when you build  
12 more dikes -- those buildings were only acquired because  
13 we are going to build a road and it is going to be twenty  
14 feet above the ground -- we end up with little dike areas.  
15 When we get into slippage, where our pipes are gone, we end  
16 up in having to put pumps in all these areas unless we buy  
17 the whole area. We do not question that when we finish this  
18 we will end up with a valuable asset. We believe that would  
19 be the intelligent approach -- to end up with a valuable  
20 asset. Certainly, in line with Mr. Hontig's explanation,  
21 the city is just as desirous as the staff is of placing these  
22 buildings in the most advantageous positions possible.  
23 Certainly we don't want to put that administration building  
24 where it is going to subside. We want to settle these  
25 problems. We are going to spend \$75 for every \$25 you spend  
26 just for the subsidence portion.

1 MR. PEIRCE: Thank you. Any further discussion?  
2 The two recommendations are approved.

3 MR. HORTIG: Page 36 through 41, gentlemen, is a  
4 report for your information, which I will not read, but  
5 giving the final status of the principal legislative bills  
6 considered at the recent legislative session, affecting the  
7 administrative cognizance of the Commission.

8 MR. PEIRCE: This is for our information and later  
9 study.

10 MR. HORTIG: Yes sir. Pages 42 to 50 tabulate  
11 actions heretofore undertaken by the executive staff under  
12 delegations of authority from the Commission, in terms of  
13 issuance of routine right of way easements, permits,  
14 licenses and other items authorized. All routine and in  
15 conformance with the Rules and Regulations of the State  
16 Lands Commission.

17 MR. PEIRCE: I have looked over all these items and  
18 they appear to be in order.

19 MR. TODD nodded.

20 GOV. POWERS: O. K.

21 MR. PEIRCE: The recommendation covering the actions  
22 of the Executive Officer is approved.

23 MR. HORTIG: This returns us to page 18.

24 MR. PEIRCE: Mr. Smith.

25 MR. SMITH: Sale of Vacant Federal Land -- containing  
26 280.45 acres in Santa Clara County. Mr. Labrucherie has

1 protested the sale to the Division on the basis that any  
 2 sale to parties other than himself would divest him of  
 3 access to other lands which he owns. The recommendation  
 4 is that the Commission determine it is to the advantage  
 5 of the State to select the land in Santa Clara County; that  
 6 the Commission find said land is not suitable for cultiva-  
 7 tion without artificial irrigation; that the Commission  
 8 approve the selection and authorize the sale of the land  
 9 for cash to H. J. Noren at the appraised price of \$3,365.40,  
 10 subject to all statutory reservations including minerals.

11 MR. PEIRCE: Is Mr. Labrucherie present? (No  
 12 response) How have we handled protests of this character  
 13 previously where a protestant objects to a sale because it  
 14 may interfere with access to other property owned by him?

15 MR. HORTIG: In the same manner in which this protest  
 16 was handled, Mr. Peirce, in that the protestant and his  
 17 attorney were informed of the recommendations to be made  
 18 to the Lands Commission, the basis for the recommendations,  
 19 the fact that the item and the recommendation would be  
 20 considered by the Commission at a public meeting to be held  
 21 on a date certain. These were all conveyed by Mr. Smith to  
 22 Mr. Labrucherie's attorney and then the matter has been  
 23 presented to the Commission with the recommendation. If  
 24 there is no further protest at the time, there is no basis  
 25 for modification of the staff recommendation. The diffi-  
 26 culty here, as the Commission can see, is probably a very

1 real one for Mr. Labrucherie, but the fact is simply that  
2 for many years he traversed public domain without ever  
3 formalizing his right to do so. Hence, there is no record  
4 in the Bureau of Land Management of a right-of-way to him  
5 nor even of an application for a right-of-way to him.  
6 Consequently, the Bureau of Land Management transferred  
7 full fee title to the State; and this procedure having been  
8 initiated, we are informed by the office of the Attorney  
9 General that the Commission has no alternative but to  
10 proceed with the sale. We even looked into the matter to  
11 see whether we could let Mr. Labrucherie proceed to obtain  
12 a right-of-way easement, but we have no right to do so.

13 GOV. POWERS: His difficulty is his lack of contact-  
14 ing the Bureau of Land Management.

15 MR. HORTIG: Right -- no application was ever made.

16 GOV. POWERS: I think sometimes we go quite a way  
17 making nuisance value of some of these lands -- the one in  
18 Bakersfield I think was one.

19 MR. HORTIG: We find ourselves in that position just  
20 by the force of circumstances.

21 MR. SMITH: I might add that I understand if he applied  
22 to the Bureau of Land Management for a right-of-way, they  
23 in turn would have reserved a right-of-way for access in  
24 the conveyance to the State.

25 GOV. POWERS: Of course, in a case of that kind it  
26 is a matter of ignorace. If he had been informed that was

1 what he should have done, he would have done it and be  
2 glad to; but it is beyond our control at this time. It's  
3 too bad someone doesn't inform these people of their rights  
4 and what they should do before it is too late.

5 MR. PEIRCE: What is your pleasure concerning the  
6 recommendation?

7 GOV. POWERS: I think we have to accept the recom-  
8 mendation.

9 MR. PEIRCE: It has been moved and seconded that  
10 the recommendation be approved.

11 GOV. POWERS: With that understanding -- that we  
12 have no right to give him a right-of-way.

13 MR. HORTIG: No sir, we have been informed speci-  
14 fically we do not.

15 GOV. POWERS: Because if we had the right, I would  
16 still be for it.

17 MR. PEIRCE: Is that the agenda, Mr. Hortig?

18 MR. HORTIG: That's it, Mr. Peirce.

19 MR. PEIRCE: Is there anybody present who desires to  
20 present anything to the Commission or to ask any questions?  
21 (No response) Mr. Hortig, how about the next meeting of  
22 the Commission?

23 MR. HORTIG: Should be at the convenience of the  
24 Commissioners, preferably September 11th or after and prior  
25 to September 15th; in other words, in that week.

26 MR. PEIRCE: Mr. Kirkwood is on vacation and will

1 not be back until the end of this month, so I am sure it  
2 would meet with his convenience, Mr. Todd, to have the  
3 meeting . . . .

4 GOV. POWERS: In other words, we have to have it  
5 between the 11th and 15th.

6 MR. HORTIG: Preferably after the 11th, in order  
7 that the Commission can take action which should be taken  
8 in connection with legislation in effect; and before the  
9 15th, to be certain that payroll and related problems of  
10 the City of Long Beach can be taken care of in time.

11 GOV. POWERS: Can we check the calendar?

12 MR. PEIRCE: Let's leave it open and you check with  
13 my secretary and she will contact Governor Powers' secretary  
14 and Mr. Kirkwood's secretary, and they can work out a date  
15 that is mutually satisfactory. Would you desire to have  
16 this meeting in Los Angeles for a change, or would you prefer  
17 to have it up here?

18 GOV. POWERS: Let's see -- 11th to 14th -- I'd have  
19 to look at my calendar. If I am there, I'd rather be there,  
20 if I am here, I'd rather have it here.

21 MR. PEIRCE: I think it's desirable to have the  
22 meeting at times in Southern California, for the convenience  
23 of those who have to conduct their business, etc. I guess  
24 that's all that is before us today. There being no further  
25 business, meeting is adjourned.

26 (MEETING ADJOURNED 10:30 A.M.)